

Missouri Technology Corporation

**Annual Report
FY 2003**

January 1, 2002 – June 30, 2003

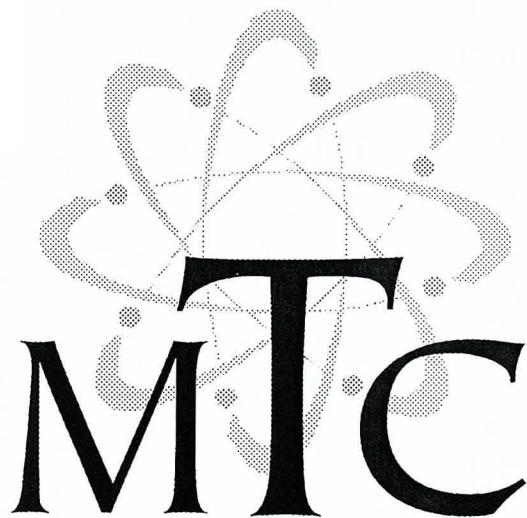


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What is the MTC?

The Missouri Technology Corporation (MTC) is a private not-for-profit corporation established pursuant to Sections 348.251 to 348.266 of the RsMO and subject to the provisions of Chapter 355, RsMO. The purposes of the MTC are to help strengthen the economy of the state through the development of science and technology, to promote the modernization of Missouri businesses by supporting the transfer of science, technology and quality improvement by providing leadership in the establishment of methods of technology application, technology commercialization and technology development.

In accomplishing its goals, the MTC has broad powers that allow for a wide range of activities that enhance research and development, technology transfer and commercialization. For example:

- The MTC is able to assist in establishing cooperative associations of universities and private enterprises in Missouri for the purpose of coordinating research and development programs.
- The MTC can establish a statewide business modernization network to assist Missouri businesses in identifying ways to enhance productivity and market competitiveness.
- The MTC can specific areas where scientific research and technological investigation will contribute to the improvement of productivity of Missouri manufacturers and identifies scientific and technological problems and opportunities related to the economy of Missouri and formulate proposals to overcome those problems.
- It can also make direct seed capital or venture capital investments in Missouri business investment funds or businesses that demonstrate the promise of growth or job creation.

MTC FY 2003 Meetings

- **August 21, 2002** University of Missouri Columbia
- **October 23, 2002** Stowers Institute for Medical Research Kansas City
- **January 28, 2003** University of Missouri Columbia
- **April 3, 2003** University of Missouri Columbia
- **June 12, 2003** University of Missouri Columbia

FY 2003 Accomplishments

- **Missouri Mathematics Academy**

Last year the MTC voted and approved a partnership with the Departments of Economic Development, Elementary and Secondary Education and the Coordinating Board for Higher Education to offer professional development to middle school teachers so they can teach our future workforce the skills they will need. The Math Academy included 98 teachers from 37 school districts in 2001, 97 teachers from 23 school districts in 2002, and 85 teachers from 33 school districts in 2003. The MTC received checks from school districts and a contribution by Boeing to help pay down the MTC's loan it took out to launch the Math Academy.

- **Statewide Advanced Manufacturing Plan**

The first statewide advanced manufacturing plan was created out of last year's industry roundtables the MTC hosted with Governor Holden. The plan was formally presented to the MTC for approval.

- **Missouri Association for Advancing Manufacturing**

As part of the recommendations that came out of the industry roundtables and the advanced manufacturing plan, the MTC endorsed the formation of a group – the Missouri Association for Advancing Manufacturing -- to move forward in supporting advanced manufacturing in Missouri and implement elements of the plan.

- **Innovation Centers**

The MTC reviewed innovation center operation plans and reports, suggesting they begin tracking certain impact metrics to better evaluate performance.

- **University of Missouri Technology Park at Fort Leonard Wood**

The MTC continues to hold a 45% interest in the Technology Park, with the University of Missouri System holding the other 55% interest. Since its opening last year, space is quickly filling up and the MTC has formed a subcommittee to consider options to build a second building at the Technology Park. The first tenant moved into the building in September 2002. As of the end of June, 18 of the offices and training rooms are occupied by 13 tenants, for a 40 percent occupancy rate.

- **MOFAST SBIR Program**

Last year the MTC assumed oversight for the expansion of the SBIR program in Missouri. This past year the MTC had the MOFAST program make several presentations updating the impact the program is making on increasing awards in Missouri.

- **1st Annual Science & Technology Conference on Homeland Security**

The MTC endorsed, and various board members participated in developing the first ever Science & Technology Conference on Homeland Security. It took place at Fort Leonard Wood in August and drew 550 attendees. The purpose of the conference was to drive more federal DOD research and contract dollars into Missouri

- **Research Alliance of Missouri (RAM)**

This year the MTC voted to endorse the creation of the Research Alliance of Missouri (RAM), and asked the Governor to officially create the group. The RAM is composed of chief research officers of research institutions around the state, and their purpose is to increase the amount of federal dollars coming into Missouri, increase the rate of technology transfer and commercialization, and collectively solve industry problems. (Names of participants are attached).

The RAM is already at work. It has identified core technology areas of expertise, started work on major technology centers, completed plans for a Technology Transfer Summit in the fall of 2003, and developed university consortia to address industry technology problems.

- **State Funding**

After setting funding priorities last year, the MTC was able to obtain \$700,000 in state funding from the Missouri General Assembly for three priority areas: 1) funding directly to the MTC to for full-time staffing and program support; 2) funding for the Research Alliance of Missouri; and 3) additional funding for Missouri's state innovation centers. The MTC formed an Executive Director Search Committee and job description to find an appropriate person to manage the MTC.

- **Venture Capital Roundtable Statewide Recommendations**

This year the MTC reviewed and officially endorsed the four statewide recommendations of the venture capital roundtable: create a pre-seed commercialization fund; renew funding for the Capital Tax Credit Program; revise the R&D Tax Credit and adopt NOL carryover; create a Missouri Venture Capital Fund of Funds

- **MTC Accounting Procedures**

As the MTC continues to move from simply an advisory board to a board that has resources to implement some of its recommendations, the MTC felt it necessary to implement more formal accounting policies. This past year the MTC hired outside accounting firm WilliamsKeepers to review its books and make recommendations that will pass the scrutiny of audit. The MTC addressed all recommendations and created a standing finance committee, as well as formalized its agreement with the Missouri Department of Economic Development to look after its financial obligations.

- **MTC Commercialization Report**

Last year the MTC commissioned a report to look at technology transfer and commercialization at the University of Missouri. This past year the report was prepared and presented, the University provided feedback to the report, and the report was edited, presented and approved by the MTC and the University System. The University of Missouri is already at work implementing most of the report's recommendations and will report back to the MTC on its progress next fiscal year.

- **Base Realignment and Closure (BRAC)**

Last year the MTC entered into contract agreement with Missouri Enterprise to execute the BRAC project. With financing provided through the Missouri Development Finance Board, Burdeshaw & Associates was engaged to work with the Missouri National Guard, Whiteman Air Force Base, and Fort Leonard Wood in developing a strategy to retain these important bases. This year, after the conclusion of Phase I, the MTC reviewed and commented on the Phase II strategic plan. Upon approving the plan, MTC agreed to move forward with Phase III with Burdeshaw engaged to sell the plan to the Pentagon.

- **Geospatial Science (GIS) Center**

The MTC reviewed and endorsed the creation of a Geospatial Science Center at Fort Leonard Wood that will create a consortium of academic, government and industry expertise and make Missouri a major player in this rapidly developing area.

- **Commission on the Future of Higher Education**

- The MTC reviewed a plan presented by the MO Department of Higher Education for the Commission on the Future of Higher Education and provided policy recommendations on carrying out this one-year program.

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Financial Summary

Missouri Technology Corporation
Balance Sheet as of June 30, 2003
Unaudited Cash Basis

ASSETS

Current Assets:

Checking Account	\$4,504.07
Short-term Investments	\$0.00
DED-Fort Leonard Wood Grant	\$0.00
Accounts Receivable	\$0.00
Total Current Assets:	\$4,504.07

Long term Assets

Total Investment in University of Missouri Technology Park -FLW	\$1,605,605.00
Less 5% for UMC Operations	(\$80,280.25)
45% of FLW Retained Earnings	(\$33,961.54)
45% of FLW Income	(\$68,351.79)
Net Investment in University of Missouri Technology Park -FLW	\$1,423,011.42
Total Long Term Assets:	\$1,423,011.42

TOTAL ASSETS **\$1,427,515.49**

LIABILITIES AND EQUITY

Liabilities:

Notes Payable (Bank)	\$19,883.73
Current Liabilities	\$0.00
Total Liabilities:	\$19,883.73

Equity:

Equity	\$1,423,011.42
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Retained Earnings

Prior Period Retained Earnings	(\$76,057.77)
Net Income	\$60,678.11
Total Retained Earnings	(\$15,379.66)
Total Equity	\$1,407,631.76
TOTAL LIABILITIES AND EQUITY	<u>\$1,427,515.49</u>

Legislated Powers of the Missouri Technology Corporation*Missouri Revised Statutes***Chapter 348****Authorities and Corporations for Economic and
Technological
Section 348.261**

August 28, 2001

Powers.

348.261. The corporation, after being certified by the governor as provided by section 348.251, may:

- (1) Establish a statewide business modernization network to assist Missouri businesses in identifying ways to enhance productivity and market competitiveness;
- (2) Identify scientific and technological problems and opportunities related to the economy of Missouri and formulate proposals to overcome those problems or realize those opportunities;
- (3) Identify specific areas where scientific research and technological investigation will contribute to the improvement of productivity of Missouri manufacturers and farmers;
- (4) Determine specific areas in which financial investment in scientific and technological research and development from private businesses located in Missouri could be enhanced or increased if state resources were made available to assist in financing activities;
- (5) Assist in establishing cooperative associations of universities in Missouri and of private enterprises for the purpose of coordinating research and development programs that will, consistent with the primary educational function of the universities, aid in the creation of new jobs in Missouri;
- (6) Assist in financing the establishment and continued development of technology-intensive businesses in Missouri;
- (7) Advise universities of the research needs of Missouri business and improve the exchange of scientific and technological information for the mutual benefit of universities and private business;
- (8) Coordinate programs established by universities to provide Missouri businesses with scientific and technological information;

- (9) Establish programs in scientific education which will support the accelerated development of technology-intensive businesses in Missouri;
- (10) Provide financial assistance through contracts, grants and loans to programs of scientific and technological research and development;
- (11) Determine how public universities can increase income derived from the sale or licensure of products or processes having commercial value that are developed as a result of university sponsored research programs;
- (12) Contract with innovation centers, as established in section 348.271, small business development corporations, as established in sections 620.1000 to 620.1007, RSMo, centers for advanced technology, as established in section 348.272, and other entities or organizations for the provision of technology application, technology commercialization and technology development services. Such contracting procedures shall not be subject to the provisions of chapter 34, RSMo; and
- (13) Make direct seed capital or venture capital investments in Missouri business investment funds or businesses which demonstrate the promise of growth and job creation. Investments from the corporation may be in the form of debt or equity in the respective businesses.

(L. 1993 H.B. 566, A.L. 1994 H.B. 1248 & 1048, A.L. 1995 H.B. 574)